COMMITTEE OF THE WHOLE
January 9, 2024
12:00 p.m.
Councilman Denny Whayne Conference Room (Busch Building, 4th Floor)
840 Boonville Avenue

MEMBERS PRESENT: Ken McClure, Abe McGull, Monica Horton, Callie Carroll, Matthew Simpson, Craig Hosmer, Derek Lee, Brandon Jenson, and Heather Hardinger.

MEMBERS ABSENT: None.

COUNCIL/ STAFF PRESENT: Jason Gage, City Manager; Collin Quigley, Deputy City Manager; Maurice S. Jones, Deputy City Manager; Cora Scott, Director of Public Information and Civic Engagement; Melissa Haase, Assistant Director of Public Information and Civic Engagement; Kristen Milam, Communications Coordinator; Tim Rosenbury, Director of Quality of Place Initiatives; Sharon Smith, Executive Assistant; McKensie Phillips, Administrative Assistant to the Deputy City Manager; Paul Williams, Police Chief; David Pennington, Fire Chief; Dan Smith, Director of Public Works; Martin Gugel, Assistant Director of Public Works; Chris Dunnaway, Principal Engineer; Andrew Flippin, Principal Engineer; David Holtmann, Director of Finance; Darla Morrison, Director of Human Resources; Jordan Paul, City Attorney; Amanda Ohlensehlen, Director of Economic Vitality; J. R. Webb, Assistant Director of Emergency Communications; Nick Nelson, Director of Art Museum; Wendy Garrison, Chief Judge of Municipal Court; Kyle O'Dell, Municipal Court Administrator; Steve Childers, Director of Planning and Development; Anita Cotter, City Clerk; and Lauren Fischer, City Clerk Administrative Specialist.

GUESTS: Tori Mercado, Springfield Area Chamber of Commerce; Abbie Cool, Woman's Medical Respite; Mary Kromrey, Ozark Greenways; Marta Mieze, *Springfield News-Leader;* and Jack McGee, *Springfield Daily Citizen*.

Mayor McClure called the meeting to order at approximately 12:15 p.m., and roll call was conducted. Present: Callie Carroll, Derek Lee, Brandon Jenson, Monica Horton, Abe McGull, Matthew Simpson, Craig Hosmer, Heather Hardinger, and Ken McClure. Absent: None.

Mayor McClure noted the minutes from the January 3, 2024, meeting were unavailable for the Committee's approval. He announced the joint meeting scheduled for January 9, 2024, with the Citizens' Advisory Committee for Community Development (CACCD) and City Council would be rescheduled for January 18, 2024, due to concerns regarding the weather. He introduced

Jason Gage, City Manager, who gave an overview of the documents provided to the Committee members regarding the long-term needs and resource funding for the City.

Mr. Gage noted the meeting was an opportunity for the Committee members to discuss priorities regarding the long-term needs of the City. He noted David Holtmann, Director of Finance, provided information regarding the City's 3/4-cent Pension Sales Tax (Exhibit A) and suggested funding sources which could be used to help with anticipated funding gaps if the 3/4-cent Pension Sales Tax were to expire.

Mr. Gage noted the second document provided to the Committee (Exhibit B) was a memorandum from Milliman, the actuarial provider used by the Police Officers' and Firefighters' Retirement System Board to provide funding projections for the Police and Fire Pension Plan. He further noted the Milliman document included information regarding the actuarial valuation results. He noted the long-term funding needs document (Exhibit C) provided information regarding the deferred capital needs and the deferred maintenance needs of the City. He further noted staff had provided additional information regarding the current rates for the City and State property taxes and sales taxes (Exhibit D).

Mr. Gage noted Mr. Holtmann; Darla Morrison, Director of Human Resources; David Pennington, Fire Chief; Paul Williams, Chief of Police; Jordan Paul, City Attorney; and additional staff members were available to answer any questions the Committee members had regarding the meeting discussion.

Mayor McClure discussed the 3/4-cent Pension Sales Tax, which was set to expire on March 31, 2025. He noted the tax generated approximately $45 million per year and was used as the funding source for the Police and Fire Pension Plan. He noted the City would need to explore different funding sources to compensate for the expiration of the 3/4-cent Pension Sales Tax. He further noted the Committee needed to consider whether the City should move forward with a request to the voters regarding a new tax and how the tax should be allocated.

Mayor McClure opened the floor to the Committee members for discussion regarding the implementation of a new 3/4-cent sales tax.

Mayor Pro Tem Simpson expressed his support for moving forward with the proposal of a new 3/4-cent sales tax. He expressed his opinion it was important for the City to honor the obligation to complete its funding commitment to those who had served the City. He noted $4 to $5 million could be cut from the City's operating budget if an alternative method to generate funding for the Police and Fire Pension Plan could not be found. He expressed his opinion the City would have a better opportunity for growth in the future by taking the opportunity to explore the City's current funding needs.

Councilwoman Horton asked if the Committee needed to vote on whether to implement a new 3/4-cent sales tax. Mayor McClure responded the Committee did not need to vote.

Councilman McGull noted it was the consensus of City Council to fully fund the Police and Fire Pension Plan. He noted the Forward SGF Comprehensive Plan emphasized the importance of place making. He expressed his opinion it would be prudent of the City to allocate funding towards the continuation of place making in Springfield.

Councilwoman Hardinger agreed implementing a new tax would be essential to the future growth of the city. She expressed her opinion the tax would help the City move toward the goals outlined in the Forward SGF plan and address the concerns citizens have raised regarding hosing needs. She noted potential funding could be secured by implementing the new tax and would be beneficial to the city in the long run.

Councilman Jenson expressed his agreement the proposed new tax would be beneficial to addressing public safety, park and stormwater needs, and capital improvements. He noted the City had other projects which could be funded with other sales tax revenue sources. He expressed his opinion the remaining 1-cent General Sales Tax revenue should be reserved for projects which could not be funded using other sales tax revenue.

Councilman Hosmer expressed his agreement with the renewal of the tax. He discussed the American Rescue Plan Act (ARPA) funding which had been utilized for different projects to benefit the city. He expressed his opinion chronic issues within the city, such as crime, needed to be addressed to help achieve the City's goal of quality of place. He noted the proposed tax revenue could be used towards something transformative to help retain and recruit officers to protect the city.

Mayor McClure discussed the City's obligation to the Police and Fire Pension Plan. He explained the City would still be responsible for providing $3.5 to $5 million per year in funding for the legacy pension plan once the current revenue from the sales tax used to fund the Police and Fire Pension Plan expired in 2025. He noted the City would have to utilize funding from the operating budget which was a cause for concern due to the unforeseen effects it could have on the city.

Councilman Hosmer asked when the Police and Fire Pension Plan would be considered fully funded. Mr. Holtmann responded the fund would be considered fully funded upon the completion of the actuarial study showing the funding at 100 percent. He explained once the fund was found to be 100% funded, the City's contribution to the fund would end. Councilman Hosmer asked if the fund would be fully funded in 2025. Mr. Holtmann responded he was not able to guarantee the fund would be 100-percent funded in 2025.

Mr. Gage discussed the actuarial study regarding the Police and Fire Pension Plan. He noted the assumptions presented in the actuarial study were projections based on the funding for the plan reaching 100 percent. He further noted the projection calculations would be reevaluated each year to ensure the fund would continue the trajectory to reach 100 percent funding. He explained the City could add additional funding to the Police and Fire Pension Plan, but there was a concern the additional funding source would not be sustainable once the fund had reached 100 percent.

Councilman Hosmer asked when the tax would end if the 3/4-cent Pension Sales Tax were renewed. Mr. Holtmann responded the tax was set to expire when funding reached 100 percent or at the end of the five-year term whichever occurred first. He noted the Police and Fire Pension Plan was funded through the 3/4-cent Pension Sales Tax. He noted the proposed new tax would be part of a general sales tax, and a sunset provision had not been discussed regarding the proposed new tax. Councilman Hosmer asked if the current Police and Fire Pension agreement would change if the proposed tax item were placed on the ballot prior to the expiration of the Police and Fire Pension Sales Tax and failed. Mr. Holtmann noted the current tax agreement would not change if the proposed measure did not pass.

Mayor McClure explained the 3/4-cent Pension Sales Tax expires in March of 2025, but the City's obligation to the fund the Pension Plan would remain the same. He clarified the City was currently collecting revenue from the tax which was the dedicated funding source for the Police and Fire Pension Plan. He noted the $45 million from the tax went into the fund, but once the tax expired in March 2025, the City would have an obligation to actuarily fund the Police and Fire Pension Plan. He noted the general fund sales tax would be separate from the 3/4-cent Pension Sales Tax.

Councilman Hosmer asked if there would be time to renew the 3/4-cent Pension Sales Tax if the City proposed a general sales tax to the citizens for a vote and it failed during the election. Mr. Holtmann explained the last election the City could propose renewal of the 3/4-cent Pension Sales Tax before it expired would be November of 2024. Councilman Hosmer expressed his concern the full responsibility of the funding would fall to the City if the proposed tax measure failed during the election. Mayor McClure clarified the City would only be responsible for the estimated $3.5 to $5 million per year for the Police and Fire Pension Plan once the tax expired in March of 2025. He noted there would be time to renew the 3/4-cent Pension Sales Tax if the measure failed during the election, but there could be a gap in funding depending on the election date.

Mayor Pro Tem Simpson expressed his opinion there would always be fluctuations in the funding cost for the Police and Fire Pension Plan. He explained a small number of employees were still contributing to the Police and Fire Pension Plan but once the plan fully closed, the City would have a better understanding of the remaining obligation to the fund. He expressed his opinion if the City were to put $4 to $5 million into the fund each year, it could be fully funded within the next decade.

Councilman Jenson asked if the 3/4-cent Public Safety Sales Tax was the same as the 3/4-cent Pension Sales Tax. Mr. Holtmann responded affirmatively. Councilman Jenson asked for clarification regarding the dedicated sales tax funding for the Police Department and the Fire Department aside from the 3/4-cent Pension Sales Tax. Mr. Holtmann responded the City's current 1-percent General Sales Tax, the 1/4-cent Capital Improvements Sales Tax, and the 1/8-cent Transportation Sales Tax were other sources used for the Springfield Police Department and the Fire Department. He noted the Police and Fire Pension Plan was funded through the general sales tax in addition to the funds received from Greene County from the Law Enforcement Sales Tax.

Councilman Lee expressed his support for the proposed 3/4-cent sales tax. He asked for clarification regarding the loss of Use Tax. Mr. Holtmann responded the City had a General Use

Tax which was approved by the voters. He explained the Use Tax revenue was generated by out-of-state sales for entities which do not have a brick-and-mortar establishment within the city. He noted the Use Tax generated approximately $15 million per year and was divided between the General Fund and the Transportation Fund. He further noted when the 3/4-cent Pension Sales Tax expired in March 2025, the City would lose one third of the Use Tax which would result in the City's sales tax rate decreasing to 1.375 percent.

Mayor McClure expressed his agreement public safety needs should be addressed. He asked Paul Williams, Chief of Police, about the best way to address the City's public safety needs. Chief Williams responded he recently met with the Human Resources Department regarding updates to the recruitment plan for the Springfield Police Department. He noted the Springfield Police Department had been successful with retaining talent compared to other cities nationwide. He noted the Police Department was currently working to recover from certain issues, such as COVID-19, which caused an increase in retirements and resignations. He further noted the Springfield Police Department had submitted recommendations regarding public safety needs to the City Manager's Office for review, and a formal presentation would be brought to City Council.

Councilwoman Carroll expressed her agreement public safety was a top priority for the City. She noted it was important to attract talent to the city, and public safety was part of making the city a safer place to live. She asked how additional funding could make the city safer. Chief Williams responded there needed to be a balance regarding department needs and staffing needs. He explained increasing funding would not necessarily solve all issues within the City. He noted an increase in funding could be used towards improving police salaries, but there were other factors such as testing and pre-employment screenings required when applying for a position with the department. He explained the Police Department and the Fire Department were two separate entities with different department needs regarding public safety.

David Pennington, Fire Chief, discussed the concerns inflation had caused for the department such as the increased cost for equipment and facility maintenance. He noted a cause for concern if the tax were to expire would be the decrease in revenue from the Level Property Tax, which was used to purchase fire trucks and maintain the Fire Department facilities.

Councilman Jenson discussed the ongoing funding requests submitted in the City's annual budget for the Municipal Court, the Fire Department, and the Springfield Police Department. He asked for clarification regarding the capital needs for the departments. Chief Williams responded collective bargaining through the unions was used to address the salary needs for the Springfield Police Department and the Fire Department. He noted the requested funding would be used for equipment, technology, and other items used to assist with the department needs. Councilman Jenson asked if the non-sworn personnel positions could be used to address some of the duties of a sworn officer. Chief Williams responded non-sworn personnel were essential for the department. He noted the attrition rate of non-sworn personnel was higher than the sworn officers, but increased funding could be used to address those positions. He further noted he was looking for more efficient ways to delegate tasks in the department.

Chief Pennington expressed his opinion reassigning tasks in the Fire Department could affect the distribution of labor within the department. He noted he was able to delegate some sworn-officer clerical tasks to a civilian position which allowed the officer to address more issues in the field. He further noted most budget requests from the Fire Department would be used to sustain its current operations and to increase safety in the community.

Councilman Hosmer asked how much time the police officers have spent investigating calls related to homeless individuals or individuals with mental health issues. Chief Williams responded nationwide it was reported 7 percent to 17 percent of law enforcement calls were related to mental health issues. He noted the Springfield Police Department's top calls for service were well-being checks, but the department received upwards of 10,000 calls which were not always for mental health or homelessness. Chief Pennington noted most response calls for the Fire Department were related to cardiac arrest due to the use of opioids.

Councilman Hosmer expressed his opinion using law enforcement to address mental health issues and homelessness was not a sustainable method to address the chronic issues in the city. Chief Williams discussed the co-responder program which allows a mental health professional to assist the Springfield Police Department when calls regarding mental health were received. He noted the program was grant funded, and he was currently working with Burrell Behavior Health to expand the program. Chief Pennington discussed the Narcan Leave Behind Program. He noted the program was part of a collaboration with the Springfield-Greene County Health Department. He further noted the Springfield Fire Department had seen a reduction in the number of opioid-related calls since the start of the program.

Councilman McGull asked how Springfield wages for the Police Department and the Fire Department compared to other municipalities. Chief Williams responded the Human Resources Department completed a wage survey each year. He noted the Springfield Police Department wages were higher than most municipalities of the same size in the region. He further noted Springfield wages were comparable to the Missouri State Highway Patrol wages until the most-recent salary increase granted by the Governor's Office.

Councilwoman Horton discussed the importance of expanding the paradigm of public safety. She expressed her opinion public safety should be expanded to include departments such as Public Works and Building Development Services to help address aspects such as pedestrian safety, traffic flow, and safe housing.

Mayor McClure discussed the top priorities listed by the Committee members during the meeting. He expressed his opinion the consensus of the Committee was to expand the 3/4-cent sales tax, address public safety issues, and further discuss the duration of the tax. He noted administrative expenses should be perpetual. He noted the 3/4-cent Pension Sales Tax was renewed in five-year increments, and the proposed 3/4-cent tax would have a 20-year duration, but neither would involve administrative costs. He discussed the Forward SGF Comprehensive Plan and the need for additional funding for the proposed capital improvement projects and the funding needed to address housing needs. He expressed his opinion the tax, as it related to the salaries, should be perpetual. He noted the ballot language would need to be carefully written and education for the community would need to be completed regarding the Police and Fire

Pension Plan. He expressed his opinion the City would not be ready for the upcoming April 2024 election because there were other items that would need to be discussed which would allow the time for the voters to provide feedback regarding the proposed changes.

Councilman Hosmer asked about the duration of the tax. Mayor McClure responded the tax should be perpetual. He noted the proposed tax would be used to address other dynamics within the city. He explained if the measure were to fail during the November election, there would be a gap in revenue collection for the Police and Fire Pension Plan. He noted there would still be an opportunity in April of 2025 if the measure were to fail during the November 2024 election.

The Committee members discussed the upcoming election dates. Mr. Gage discussed the timeline for a bill to go before City Council for approval as a ballot measure. Anita Cotter, City Clerk, noted August 27, 2024, was the deadline for the ballot measure to be submitted to Greene County for voter consideration during the November 2024 election. Mr. Gage explained any issues for the August 2024 ballot would need to be considered by City Council at least three months prior to the date of the election.

Councilman Jenson discussed the possibility of creating smaller ballot measures with dedicated funding sources for the revenue generated by the 3/4-cent sales tax. Mayor McClure expressed his concern creating smaller ballot measures could result in some measures failing. Councilman Jenson expressed his opinion creating the smaller ballot measures would be easier for the constituents to understand the items they would be voting on.

Mayor Pro Tem Simpson expressed his agreement the tax should be perpetual. He noted the language gave strong guidance for staff to draft the ballot question for consideration by the voters. He suggested the measure should be placed on the November 2024 ballot because it would allow for the highest turnout for the election and would provide time for the staff to receive feedback from citizens.

Councilman Lee expressed his opinion it would be more difficult for the citizens to vote for a ballot measure which contained undesignated revenue. He expressed his opinion by identifying a dedicated funding sources and shortening the duration of the tax for the ballot measure, there would be a better chance of approval. He suggested creating an advisory committee to oversee the expenditures.

Mayor McClure thanked everyone in attendance. He noted this topic would need to be kept with the Committee for further discussion. Mr. Gage noted staff would work to find an additional date for the Committee to meet.

Mayor Pro Tem Simpson moved to adjourn. Councilwoman Hardinger seconded the motion, and it was approved by the following vote: Ayes: Jenson, Horton, McGull, Simpson, Hosmer, Hardinger, Carroll, Lee, and McClure. Nays: None. Absent: None. Abstain: None.

With no further business to come before the Committee, the meeting adjourned at 1:22 p.m.

Minutes approved by the Committee of the Whole on November 12, 2024

Approved by the Committee of the Whole
on 11-12-2024